

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

**IN THE MATTER OF: ALBERT LUKASIK and
SALLY LUKASIK dba DRAGON SLAYER
INVESTMENT STRATEGISTS.**

File No. C0600196

NOTICE OF HEARING

TO THE RESPONDENTS: ALBERT JACK LUKASIK
fka Albert Jack Lucente
7603 Ponderosa Court
Orland Park, Illinois 60462

SALLY LUKASIK
aka Sally Lucente
1952 Bittersweet Drive
Saint Anne, Illinois 60450

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the November 15, 2007 at the hour of 10:00 a.m. or as soon as possible thereafter, before James L. Kopecky or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered prohibiting Dragonslayer Investment Strategists; Albert Jack Lukasik fka Albert Jack Lucente; and Sally Lukasik aka Sally Lucente, from offering, advising the sale of, and/or selling securities in the State of Illinois and/or granting such other relief as may be authorized under the Act including but not limited to the imposition of a monetary fine in the maximum amount pursuant to Section 11.E(4) of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

BACKGROUND FACTS COMMON TO ALL COUNTS

1. Albert Jack Lukasik fka Albert Jack Lucente Lukasik ("A. Lukasik ") was the president of Dragon Slayer Investment Strategists and co-owner of Glassart, at all

relevant times herein. His last known address is 7603 Ponderosa Court, Orland Park, Illinois 60462.

2. Sally Lukasik aka Sally Lucente ("S. Lukasik") is the vice president of DIS and co-owner of Glassart, at all relevant times herein. Her last known address is 1952 Bittersweet Drive, Saint Anne, Illinois 60450.
3. Dragon Slayer Investment Strategists ("DIS") was, at all times referred to herein, a company whose primary business purported to be day-trading securities in "Dragon Slayer Fund" and various other securities accounts. Its last known address is 252 N. Main Street, Seneca, Illinois 61360.
4. Glassart ("Glassart") was at all time referred to herein, a company whose primary business was the manufacturing and selling of stained glass. Its last known address is 252 N. Main Street, Seneca, Illinois 61360.
5. Investor A and Investor B are residents of the State of Illinois.
6. On or about September 2, 2004, Respondent A. Lukasik solicited Investor A to invest with him, through Respondent DIS. Respondent A. Lukasik told Investor A that he had experience in investing and had worked on the Chicago Board Options Exchange in the mid 1980's, as his qualifications.
7. Investor A gave to Respondent A. Lukasik, a check in the amount of \$7,500.00, to day-trade on his behalf. The check was made payable to Respondent A. Lukasik at A. Lukasik's instruction. Respondent A. Lukasik gave Investor A's check to Respondent S. Lukasik, who deposited it into the bank account of Glassart.
8. Notwithstanding A. Lukasik's assurances that the funds would be used to trade on Investor A's behalf, Investor A's funds were never placed into a trading account. Instead, A. Lukasik and S. Lukasik converted the funds for their own personal use and benefit.
9. Despite having repeatedly asked for a refund from Respondent A. Lukasik and Respondent DIS, Investor A has not received a refund of the monies he invested or any return on his investment.
10. In or around March 2003, Respondents A. Lukasik and S. Lukasik told Investor B that A. Lukasik was very successful in day trading securities and solicited Investor B to invest with them through Respondent DIS.
11. On or about March 17, 2003, Investor B gave to Respondent S. Lukasik, a check in the amount of \$5,000.00, made payable to Glassart, as instructed by Respondent S. Lukasik.

Notice of Hearing

- 3 -

12. Respondent S. Lukasik gave Investor B a receipt from Respondent DIS for the \$5,000.00 investment, which was to be invested in Dragon Slayer Fund.
13. Between May 2003 and February 2004, Respondent A. Lukasik and/or Respondent S. Lukasik provided to Investor B, a series of statements reflecting his investment in "Dragon Slayer Fund":
 - a. On or about May 19, 2003, Investor B received a statement from Respondents dated May 19, 2003 indicated that the account held 100 shares of the "Dragon Slayer Fund" at a value of \$5,500.00.
 - b. On or about July 31, 2003, Investor B received a statement from Respondents dated July 31, 2003 indicated that the account held 100 shares of the "Dragon Slayer Fund" at a value of \$6,000.00.
 - c. On or about October 1, 2003, Investor B received a statement from Respondents dated October 1, 2003 indicated that the account held 100 shares of the "Dragon Slayer Fund" at a value of \$7,000.00.
 - d. On or about October 1, 2003, Investor B received a second statement from Respondents dated October 1, 2003 indicated that the account held 100 shares of the "Dragon Slayer Fund" at a value of \$6,200.00. The second statement did not indicate it was a correction of the earlier statement Investor B received.
14. Notwithstanding the statements Respondents issued, Investor B's funds were never traded in the "Dragon Slayer Fund" on Investor B's behalf. Instead, A. Lukasik and S. Lukasik converted the funds for their own personal use and benefit.
15. Investor B has never received any return on his investment or any refund of the monies he invested.
16. At all relevant times herein, Respondents did at no time establish a trading account under the name of "Dragon Slayer Fund".
17. Between July 2003 and October 2005, Respondents A. Lukasik and S. Lukasik, repeatedly withdrew monies from their various trading accounts and used the funds for their own benefit, not for the investors' benefit.
18. In soliciting funds from investors, Respondent A. Lukasik deliberately made false statements and overstatements regarding his qualifications and experience on the Chicago Board of Trade and/or the Chicago Board Options Exchange.
19. In his deposition on June 21, 2006, Respondent A. Lukasik testified that he had worked on the options floor in the mid 70's at the Chicago Board of Trade and at

the Chicago Board Options Exchange, in the capacities of runner and phone clerk. Following which he returned to school, then worked in various occupations, but never in the securities or investment business.

20. In the deposition on June 21, 2006, Respondent A. Lukasik also testified that he had taken and passed both the Series 3 Commodity Futures and Series 7 Securities exams in 1975; however, the records of the National Futures Association (NFA) and the Chicago Board Options Exchange (CBOE) demonstrate his testimony was false, as shown in Count V below.
21. That the activities set forth in paragraphs 1-7 and 10-13 above constitute the offer and sale of an investment contract, and therefore a security, as those terms are defined in Section 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*

COUNT I-SALE OF UNREGISTERED SECURITIES
815 ILCS 5/12.A and 12.D

- 1-21. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 21 above as paragraphs 1 through 21 of this Count I.
22. Section 12.A of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (the "Act") states that it shall be a violation of the provisions of this Act for any person to "offer or sell any security except in accordance with the provisions of this Act."
23. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.
24. Section 12.D of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to "fail to file with the Secretary of State any application, report or document under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
25. Respondents failed to file an application for registration of the Dragon Slayer Fund securities with the Secretary of State and as a result, the securities were not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.
26. By virtue of the foregoing, Respondents violated Sections 12.A and 12.D of the Act.

COUNT II-FRAUD IN THE OFFER OR SALE OF SECURITIES
815 ILCS 5/12.F--Respondents engaged in practices in connection
with the sale of securities that worked a fraud or deceit
on the purchaser thereof

- 1-21. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 21 above as paragraphs 1 through 21 of this Count II.
22. Section 12.F of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to “engage in any transaction, practice, or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.”
23. Paragraphs 1 through 22 allege facts that show conduct by the Respondents that violate Section 12.F of the Act. In particular: Respondents never invested the investors’ funds for the benefit of the investors. Furthermore, (1) Respondent A. Lukasik overstated and misstated his experience and qualifications; (2) Respondents A. Lukasik and S. Lukasik distributed to Investor B fraudulent statements to mislead him into believing that his funds had been invested for the his benefit into “Dragon Slayer Fund”, which in fact was non-existent; and (3) Respondents converted investors funds for their own personal use and benefit.

COUNT III-OBTAINING MONEY BY UNTRUE
STATEMENTS AND MISLEADING FACTS
815 ILCS 5/12.G--Respondents obtained Complainants’ money
by making untrue statement of material fact
and omission to state a material fact

- 1-21. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 21 above as paragraphs 1 through 21 of this Count III.
22. Section 12.G of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to “obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.”
23. The facts alleged in paragraphs 1 through 22 above, allege facts showing conduct by the Respondents that violate Section 12.G of the Act. In particular:

Respondents A. Lukasik and S. Lukasik misled the investors into believing (1) Respondent A. Lukasik had experience in investing and had worked on the Chicago Board Options Exchange in the mid 1980's; (2) convincing them to allow Respondents to "invest" their funds; (3) overstated their qualification and experience and (4) instead, Respondents converted investors funds for their own personal use and benefit.

**COUNT IV-EMPLOYMENT OF A DEVICE
OR SCHEME TO DEFRAUD**

**815 ILCS 5/12.H and 12.I--Respondent mailed false statements
to investors regarding the purported investment in furtherance
of scheme to defraud**

- 1-17. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 17 above as paragraphs 1 through 17 of this Count IV.
18. Section 12.H of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (the "Act") states that it shall be a violation of the provisions of this Act for any person to "sign or circulate any statement, prospectus, or other paper or document required by any provision of this Act or pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or untrue."
19. Section 12.I of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to "employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly."
20. The facts alleged in paragraphs 1 through 19 above, allege facts showing conduct by the Respondents that violate Section 12.H and 12.I of the Act. In furtherance of their scheme to defraud investors, Respondents A. Lukasik and/or S. Lukasik mailed to Investor B false statements regarding the performance of the money Investor B had given to Respondents to invest. Moreover, that Respondents A. Lukasik and S. Lukasik never created a "Dragon Slayer Fund" nor invested Investor B's funds into "Dragon Slayer Fund" and instead used Investor B's funds for their own personal use and benefit.

COUNT V-EMPLOYMENT OF A DEVICE
OR SCHEME TO DEFRAUD
815 ILCS 5/12.E--Respondent made in a report required
to be filed under the Act, statements which were false
or misleading with respect to material fact.

- 1-23. The Illinois Secretary of State re-alleges and incorporates paragraphs 1 through 23 of Count I as paragraphs 1 through 23 of this Count V.
24. In his deposition on June 21, 2006, Respondent A. Lukasik testified that he had worked on the options floor in the mid 70's, at the Chicago Board of Trade and at the Chicago Board Options Exchange, in the capacities of runner and phone clerk.
25. In the deposition on June 21, 2006, Respondent A. Lukasik testified that in 1975, he had taken and passed both the Series 3 Commodity Futures and Series 7 Securities Exams.
26. According to the National Futures Association (NFA), which in the ordinary course of business maintains the records related to results of proficiency examinations concerning the futures industry, Respondent A. Lukasik does not have any record of National Commodities Future Examination results in NFA's possession. (EXHIBIT 1).
27. According to the Chicago Board Options Exchange (CBOE), which in the ordinary course of business maintains the records related to results of proficiency examinations concerning the securities industry, Respondent A. Lukasik does not have any record of any examination results in CBOE's possession. (EXHIBIT 2).
28. Section 12.E(1) of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (the "Act") states that it shall be a violation of the provisions of this Act for any person to "make, or cause to be made, (1) in any application, report or document filed under this Act or any rule or regulation made by the Secretary of State pursuant to this Act, any statement which was false or misleading with respect to any material fact."
29. The facts alleged in paragraphs 1 through 28 of Count V allege facts showing conduct by the Respondent A. Lukasik that violate Section 12.E(1) of the Act. In particular: Respondent A. Lukasik falsely testified under oath, pursuant to a subpoena, to having taken and passed the Series 3 Commodity Futures Exam and the Series 7 Securities Exam.
30. The misstatement alleged in paragraph 24 and 25 of Count V is material in that it relates directly to the statement Respondent A. Lukasik allegedly made at

Notice of Hearing

- 8 -

paragraph 6 of Count I and paragraph 25 of Count III, regarding his investing experience.

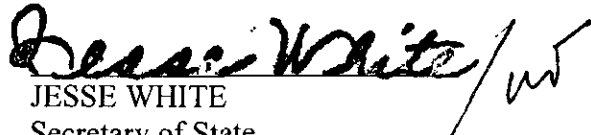
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130)(the "Rules") to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

A copy of the Rules, promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department, is included with this Notice.

Delivery of notice to the designated Representative of any Respondent constitutes service upon such Respondent.

DATED this 28th day of September 2007.


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:
Felicia H. Simmons-Stovall
Enforcement Attorney
Office of the Secretary of State
Illinois Securities Department
69 W. Washington Street, Suite 1220
Chicago, Illinois 60602
Telephone: (312) 793-3384

Hearing Officer:
James L. Kopecky
350 North LaSalle Street
Suite 800
Chicago, IL 60610
Telephone: (312) 527-3966